



Fiscal Note
H.B. 18 1st Sub. (Buff)
 2020 General Session
 Industrial Hemp Program Amendments
 by Daw, B. (Daw, Brad.)



General, Education, and Uniform School Funds

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$0	\$0	\$0

State Government

UCA 36-12-13(2)(b)

Revenues	FY 2020	FY 2021	FY 2022
Dedicated Credits Revenue	\$30,000	\$225,000	\$300,000
Total Revenues	\$30,000	\$225,000	\$300,000

Enactment of this legislation could generate \$30,000 in Dedicated Credits one-time for the Department of Agriculture and Food in FY 2020, \$225,000 in one-time FY 2021, and \$300,000 ongoing in beginning in FY 2022. The combined estimate for industrial hemp retail permits, lab permits, and certificates issued is 200 for FY 2020. The number of permits issued may increase to 1,500 for FY 2021, and to 2,000 in FY 2022. The estimated price for these permits is currently \$150.

Expenditures	FY 2020	FY 2021	FY 2022
Dedicated Credits Revenue	\$0	\$121,800	\$85,400
Total Expenditures	\$0	\$121,800	\$85,400

Enactment of this legislation could cost the Department of Agriculture and Food \$84,400 ongoing from Dedicated Credits for an additional staff member to manage industrial hemp retail permits and equipment starting in FY2021, and \$30,000 one-time for a vehicle in FY2021. The one-time cost to draft the USDA Hemp Production Plan (\$6,400) and ongoing costs manage lab permits and research certificates (\$1,000) can be absorbed by the agency beginning in FY2021.

	FY 2020	FY 2021	FY 2022
Net All Funds	\$30,000	\$103,200	\$214,600

Local Government

UCA 36-12-13(2)(c)

Enactment of this legislation likely will not result in direct, measurable costs for local governments.

Individuals & Businesses

UCA 36-12-13(2)(d)

Enactment of this legislation could cost retailers who sell industrial hemp products, laboratories that test hemp products, or universities that perform research on industrial hemp \$150 per year for a retail or laboratory permit, or a research certificate. The total impact on the estimated 1,500 participating businesses and universities is \$225,000 in FY2021. The impact is expected to increase in FY2022 to include 2,000 businesses which would generate and an estimated \$300,000 in application fees.

Regulatory Impact

UCA 36-12-13(2)(e)

Enactment of this legislation could result in a medium increase in the regulatory burden for Utah residents or businesses.

Performance Note

JR4-2-404

No performance note required for this bill

Notes on Notes

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.